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UNCLAS SECTION 01 OF 03 USUN NEW YORK 000209

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TREASURY FOR IRS, DHS FOR TSA

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TAGS: [OFDP](#) [UN](#) [CVIS](#)

SUBJECT: PARKING ISSUES, IRS SETTLEMENT INITIATIVE, ALLEGED
VISA REFUSALS OF IRANIAN OFFICIALS HIGHLIGHTED AT 232ND
HOST COUNTRY COMMITTEE MEETING, MARCH 5, 2007

11. Summary: The UN Committee on Relations with the Host Country (Host Country Committee-HCC) discussed the results of the HCC's survey of the New York Diplomatic Parking Programme (the Program) at its 232nd meeting on March 5, 2007. Missions which oppose the Program as implemented or on principle (Russian Federation, Mali, Cuba, Libya) focused on those few survey statistics indicating perceived problems with the Program. Germany, as President and on behalf of the EU, supported by Spain, strongly urged the U.S. as host country to request the IRS to extend the March 30 deadline to at least June 30, 2007, for submissions regarding the IRS' income tax settlement initiative applicable to U.S. citizens and permanent resident aliens working at the UN or at UN Missions. Iran protested alleged visa refusals to Iranian officials attending Commission for Social Development and Commission on the Status of Women meetings. Belarus thanked the U.S. for its smooth handling of Belarus officials arriving for this week's international conference at the UN on trafficking in women and girls. At a post-meeting lunch, DS/OFM/DAS Claude Nebel and USUN, OFM/NY and HCC Chair interlocutors discussed the issue of reciprocity in regard to Eritrea's request to buy property (see septel), the IRS settlement initiative, problems encountered by UN Mission Ambassadors at NY area airports, especially treatment accorded them during secondary screening, and the possibility of liberalizing travel restrictions in connection with UN-related meetings. End summary.

Parking Survey discussion

12. Marjorie Tiven, Office of the Mayor, NYC Commissioner for the UN, Consular Corps and Protocol gave a statement regarding the success of the Parking Program, and the HCC Bureau had already circulated the U.S. statement (previously emailed to IO/UNP) along with the results of the parking survey. Both NYC and USUN noted the success of the program, the resources available to Missions, and NYC announced a phone line for the exclusive use of diplomats as well as online improvements in the parking summons adjudication and review process.

13. Libya, Cuba, Mali and the Russian Federation object either to the Program's implementation or on principle (as they

argue that the Program requires them to submit to NYC jurisdiction in violation of their privileges and immunities). They refused to characterize the Program as a success, and focused on what few statistics they could interpret as showing dissatisfaction with the Program, with Cuba asserting that some of the 126 Missions (out of 192) that failed to respond to the survey may have done so because they did not trust that the results would be accurately reflected in the (Secretariat's) compilation. The objecting delegations noted that 71.2 per cent of the 66 survey respondents indicated there was a difference between the Missions' understanding of the Program's implementation and that of host authorities involved in that implementation. The various critics of the survey characterized it as preliminary, that problems still needed to be resolved, and described the survey as a review of the Parking Program rather than a review of its implementation. Qatar asking that the 3 allocated decals to each Mission be transferable among a Mission's vehicles. Russia requested additional spaces to accommodate its 100-plus vehicles. Objecting delegations noted that they will raise the issues of improvements to/changes in the Program during the fall UNGA when the HCC drafts the recommendations section of its report to the Sixth Committee. The Chair reminded delegations that Committee action was restricted to the ways in which the existing Program is being implemented; the Committee has no clear mandate to suggest or demand modifications to the Parking Program itself.

IRS Settlement Initiative

14. The IRS settlement initiative was initially aimed at

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allowing U.S. citizens and permanent resident aliens (PRA) working at embassies and consulates in the Washington, DC area to update and regularize their reporting of taxes owed to the IRS for the last three years, with the IRS agreeing not to look at taxes owed prior to that time. Although the initiative was announced to embassies in the Washington, DC area in late 2006, word of the initiative did not reach the UN Missions in New York until February 2007. As the UN Secretariat and UN Missions want their employees to be able

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to take advantage of the initiative, at OFM/NY's and USUN's urging, the Department succeeded in getting the IRS to extend the original deadline for replying from late February to March 30, 2007, with the IRS permitting individuals to sign up by submitting their names by that date. USUN made clear that it does not consider the issue as appropriate for the HCC because there is no issue of diplomatic privileges and immunities involved. However, the Spanish Permanent Representative noted that ensuing strikes by employees at Spanish diplomatic missions in the U.S. in mid-February had negatively impacted the functioning of its missions in the U.S., and thus was a proper topic for HCC consideration.

15. Germany, as President and on behalf of the EU, noted the negative effect on missions' morale, and requested the U.S. as host country to urge the IRS to extend the deadline for responding to the initiative to at least June 30, 2007, which would allow affected individuals time to learn more about the initiative and seek advice of tax counsel as needed. Spain noted that the issue is complicated as each case is affected by several factors, including the employee's status in the U.S., whether there is a tax treaty or other relevant bilateral agreement between the U.S. and the employee's country of nationality, etc. Indonesia asked the Chair to send a circular note to all UN Missions. Qatar wanted an expanded discussion in front of all UN members in order to discuss measures to be taken.

16. USUN MinCounselor emphasized that this is an IRS initiative, noted that each affected individual's case is

unique, and reviewed the basics of the initiative, the timeline of how and when USUN, OFM/NY and UN Missions learned about the initiative, and what is being done to address the matter, including exploring the possibility of an IRS briefing. He noted that the Treasury and the State Departments were consulting on the issue.

Iran protests alleged refusals of visas for Iranian officials

¶7. Iran protested alleged visa refusals to Iranian officials attending the Commission for Social Development and Commission on the Status of Women meetings. Iran labelled the visa refusals an impediment to Iranian officials' travel to the UN to participate in UN conferences, and also noted the arbitrary and repeated delays encountered by its G-1 and G-2 visa applicants. Iran expressed its profound concern regarding the U.S.'s repeated failure to meet its host country obligations, and requested the Committee to take measures to ensure that the host country meets those obligations, especially as the Iranian officials had submitted their visa applications in a timely manner.

¶8. USUN Host Country MinCouns responded that the US Mission was unaware of any such refusals, that we were surprised given that the U.S. Mission was in regular contact with the Iranian Mission on visa matters, and that we did not believe the visas had been refused as there is a long-standing procedure in place in the rare case where an official visa is refused. USUN MinCouns also indicated that if Iran encountered problems with the issuance of these visas, it should have notified the U.S. Mission, which in turn could have followed up and perhaps solved whatever problems arose. USUN MinCouns urged Iran to provide details after the meeting so that the U.S. Mission could look into the alleged visa refusals, and that USUN would respond to the Iran Mission directly. USUN is informed that there have been recent press reports from London that some Iranians coming to New York had visa problems.

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Belarus thank-you

¶9. Belarus expressed gratitude to the the U.S. for its response to Belarus' request to ensure rapid processing at the airport helping the Belarus delegation attend the international conference on trafficking in women and girls that opened March 5. Belarus noted its appreciation for the etiquette displayed by customs and airport officials, and hoped that such treatment would continue. USUN did not respond, but the HCC Chair replied that it was good for the HCC to hear positive news concerning the issue of diplomats' treatment at airports.

Post-HCC meeting lunch: reciprocity, IRS, airport woes, and travel restrictions

¶10. At a lunch following the HCC meeting, DS/OFM/DAS Claude Nebel, USUN MinCounselor Graham, OFM/NY Director Winton/Deputy Director Smith and HCC Chair Mavroyiannis (Cyprus) discussed the issue of reciprocity in regard to Eritrea's request to buy property (see septel), the IRS settlement initiative, problems encountered by UN Mission diplomats at airports, especially treatment accorded them during secondary screening, and the possibility of liberalizing of travel restrictions in connection with UN-related meetings.

--IRS settlement initiative: The problem seems more prevalent at missions of developed countries, especially those in the EU, and is compounded by the fact that several Missions may have inadvertently given inaccurate information and advice concerning the tax liability of their U.S. citizen and PRA

employees. DAS Nebel noted that Treasury and State are discussing the possibility of extending the deadline for NY-based Missions. The HCC Chair is requesting a room at the UN which would allow an IRS representative to brief the UN community on the settlement initiative and one is tentatively scheduled for the week of March 19.

--airport woes: HCC Chair Mavroyiannis noted that UN Ambassadors and even lower level diplomats at UN missions often carry sensitive documents (e.g., position papers to read on the plane or take home) in their carry-on luggage. Receiving a boarding pass imprinted with "SSSS" and thus being selected for random secondary screening often requires the diplomats to open their carry-on luggage and risks having these documents opened and examined by Transportation security Administration (TSA) personnel. The ambassadors often complain of the brusque tone and treatment by airline or TSA personnel, even when the diplomat identifies himself as an ambassador, and the frequency with which the diplomats are subjected to the "SSSS" secondary screening makes them seriously doubt that their selection is truly random. The ambassadors find being singled out in front of other travelers at SSSS secondary screening embarrassing, especially if they are traveling with colleagues not so selected, and particularly if they come from cultures where losing face or being embarrassed is regarded as more abhorrent than is the case in American culture. UN Permanent Representatives repeatedly request that they be exempt from such SSSS secondary screenings. DS/OFM/DAS Nebel noted that there are discussions on this issue between the Department and the TSA.

--flexibility re travel restrictions: HCC Chair Mavroyiannis also conveyed the hope that the Department would begin to look more favorably toward granting permission to Cuban and other officials subject to travel restrictions who are invited to attend UN-related meetings beyond the 25 mile NYC limit, such as the annual July seminar at Princeton University on UN-related topics.

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